

THE WHITE HOUSE

WASHINGTON

August 3, 1987

MEMORANDUM FOR ARTHUR B. CULVAHOUSE, JR.
FROM: WILLIAM B. LYTTON III *William B. Lytton III*
SUBJECT: TESTIMONY OF CASPAR WEINBERGER
AUGUST 3, 1987

I. Overview

Secretary Weinberger again stated that the President always had, in addition to getting our hostages back, the long term goal of establishing a relationship with the Iranian Government. Weinberger did not believe that such a relationship was possible with those in charge in Iran. Weinberger indicated that, contrary to John Poindexter's assertions, he had offered the President alternatives on how to get the hostages back.

II. The President's Knowledge

A. Diversion

Nothing to report.

B. Boland Amendment

Nothing to report.

C. Iran Operations

Weinberger stated that the Tower Board's criticism that he had "distanced himself from the march of events", was "very unfair", and that the President in a "generous and fair spirit" has told the American public [in a radio address] that the Tower Board was wrong on that point. Weinberger testified that routine procedures for evaluating intelligence agencies' requests for DOD support were not intentionally avoided in the transfer of TOWs to the CIA. Weinberger said those procedures were not intended to apply to a direct Presidential order. He testified, moreover,

that the fact that those procedures were not followed was simply an incidental effect of carrying out the President's order that knowledge of this operation be kept among the smallest group possible. Weinberger emphasized that normal pricing procedures were in fact used.

Weinberger was asked by Senator Mitchell if he agreed that the sale of weapons to Iran would never have been approved by the President except as a means to free the hostages. Weinberger answered that he did not know everything that motivated the President, but he never heard the President talk about the Iran initiative without mentioning both the strategic objectives and the hostages.

Representative Rodino asked Weinberger if he heard the President say during the November 10, 1986, meeting that Iran was weaker. Weinberger said that he did not recall that, and that "had it come up, I would have disputed it very strongly." The Secretary testified that all intelligence reports that he had seen indicated the Iran-Iraq war was stalemated, and that there never was a suggestion that Iran was about to fall.

Senator Nunn asked if Weinberger ever gave the President a "net assessment" of the effect of the arms sales on the Iran-Iraq balance. Weinberger said that he never had a formal "net assessment" done, but noted that the weapons sold were obsolete. His feeling was that they had no effect on the Iran-Iraq military balance.

D. Third Country Aid to Contras

Nothing to report.

III. Possible Remedial Legislation

Representative Dewine asked Weinberger for his opinion about Senate confirmation of the National Security Advisor, and statutory changes to the National Security Council. Weinberger stated that Senate confirmation would not make a major difference, and he had no strong feeling about it. Weinberger also opined that a rigid statutory time for Congressional notification of covert actions would not allow the flexibility needed to protect operational security, but that he did believe notification ought to be given within a short time. Finally Representative Dewine asked Weinberger to comment on the Hyde bill to combine the House and Senate committees. Weinberger agreed that a single intelligence committee is a step in the right direction because it would "narrow the circle" on these sensitive issues.

Weinberger agreed with Senator Nunn that the Chairman of the Joint Chiefs of Staff should be told about covert sales of weapons by the U.S. Weinberger said that in this case the Chairman was in fact told, in July or August 1986, when he inquired about it.

Representative Jack Brooks criticized the CIA's evasion of its notification requirements by paying for the TOWs in five installments of \$999,999, in order to keep below the notification threshold of \$1 million. Weinberger was not aware of this unusual billing procedure.

IV. Closing Statements

A. Representative Cheney:

Representative Cheney noted that it was preordained that there would be an investigation once the Iran arms sales came out. Cheney gave great credit to the President for providing witnesses, classified documents, and even his diary. He stated that the President moved "boldly and decisively" to address the problems exposed here, by replacing NSC staff, creating the Special Review Board, and supporting the Independent Counsel.

Cheney noted that the hearings did not show any Presidential knowledge of diversion, or any Presidential efforts to cover up what happened. "The President has indeed been telling the truth." He felt there has been far too much "apocalyptic rhetoric." To the extent that remedial measures were needed, the President took them before the Committees took a single word of testimony.

Cheney said that the focus now should shift to ways to improve performance in foreign policy on both ends of Pennsylvania Avenue. He urged his colleagues to resist the temptation to enact restrictive legislation, while attacking the practice of grafting policy making amendments, such as the Boland Amendment, onto continuing resolutions. This deprives the President of his veto power. Cheney also criticized Congress' leaks of classified information and urged that "Discipline ought to be swift and appropriate" for a member of Congress who divulges classified information.

In conclusion, Cheney noted that "No foreign policy can be effective for long without the whole-hearted support of Congress and the American people."

B. Senator Rudman:

Senator Rudman said that the policy of selling arms to Iran was duly authorized by the President. However, he stated he spoke for all the Republican Senators in concluding that it was an "act of folly" as a means of reestablishing relations with Iran.

Rudman said that the diversion of funds to the Contras clearly was not known to the President or authorized by him. He noted that the diversion of funds not only was improper, but it failed to help the Contras effectively, an opinion echoed by Shultz, Weinberger, Regan and Meese.

Rudman delivered a stinging rebuke to Poindexter and North. He pointed out that Poindexter did not have the authority to approve the diversion, and that neither Poindexter nor North had any experience in covert actions. Rudman savaged the NSC staff for participating in a cover up that included shredding, lying to the Attorney General, and withholding information from the President.

He concluded that officials responsible for the diversion have done a great disservice to both the President and the country they had sworn to serve.

C. Chairman Hamilton:

Chairman Hamilton opened by praising the hearings as being part of the self-cleansing process of government. He observed that the facts in general showed too little accountability, too much secrecy, too much reliance on private citizens, too much use of covert actions, too many critical decisions taken by a handful of people, and too many false statements to Congress. He noted that shortcuts of procedure and excessive secrecy weaken the President and lead to poor policy choices.

Hamilton outlined the focus of the forthcoming report. One aspect covered will be the need for greater accountability, through rigorous Congressional oversight, the use of appropriated funds, and the supervision and acceptance of responsibility up the chain of command. He stressed that intelligence should drive policy, not vice versa. As for covert actions, he stated that we must reassess how we conduct them. They must meet a standard of accountability, must be based on a statutory authorization and a written Finding, must receive legal review by the Attorney General, and must receive policy review by the Secretaries of State and Defense. Finally, covert actions must be of a type to be acceptable to the American people, if exposed.

The report will also focus on the President's responsibility to consult with Congress before, not after, policy is formulated. On the other hand, Congress must improve its ability to keep secrets.

He concluded that "The Constitution and the rule of law work only if we make them work."

D. Chairman Inouye:

Chairman Inouye described this as a "chilling story--a story of deceit and duplicity and arrogant disregard of the rule of law." He scoffed at the stories of patriotism told by some of the witnesses, asking rhetorically, "How come I don't feel good?" He observed that two versions of government were presented by the hearings: a secret government, directed by NSC staffers, accountable not even to the President; and the government as

established by the Constitution. He deplored the "junta" in the White House and condemned as a "cover up" the shredding of documents, which were the historical record. Despite everything, he concluded, "The people still rule."

V. Continuation of Hearings

The hearings will be reconvened at 9:00 a.m. on August 4, 1987, in the Rayburn Building to hear testimony of CIA officers in executive session. The public hearings are finished.